ARIZONA LIVESTOCK

September 2003

Released October 1, 2003, by the Arizona Agricultural Statistics Service and University of Arizona, College of Agriculture, 3003 N Central Avenue, Suite 950, Phoenix, Arizona 85012-2994, (602) 280-8850, Fax: (602) 280-8897,www.nass.usda.gov/az/.

CATTLE ON FEED

On September 1, 2003, Arizona had 274,000 head of cattle on feed for the slaughter market, down 4 percent from a year ago, but up slightly from August 1. Placements totaled 28,000 head, down 2,000 head from August 2002. During August, 23,000 head were marketed, compared to 29,000 last August.

On September 1, 2003, California had 485,000 head of cattle on feed for the slaughter market, down slightly from a year ago, but the same amount from last month. Placements totaled 60,000 head, the same amount as August 2002. During August, 57,000 head were marketed, compared to 52,000 last August.

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 9.83 million head on September 1, 2003. The inventory was 3 percent below September 1, 2002 and 9 percent below September 1, 2001. Placements in feedlots during August totaled 2.37 million, 7 percent above 2002 and 8 percent above 2001. Net placements were 2.31 million. During August, placements of cattle and calves weighing less than 600 pounds were 592,000, 600-699 pounds were 529,000, 700-799 pounds were 659,000, and 800 pounds and greater were 594,000. Marketings of fed cattle during August totaled 2.08 million, 3 percent below 2002 and 5 percent below 2001. Other disappearance totaled 60,000 during August, 40 percent above 2002 and 11 percent above 2001.

CATTLE ON FEED: NUMBER ON FEED (1,000+ CAPACITY FEEDLOTS) AUGUST 1, 2003 AND SEPTEMBER 1, 2002 AND 2003, PLACEMENTS, MARKETINGS, AND OTHER DISAPPEARANCE AUGUST 2002 AND 2003 BY STATE AND UNITED STATES

STATE	Number on Feed 1/					Placements During August			Marketings During August			Other Disappearance During August 2/		
	Sep 1, 2002	Aug 1, 2003	Sep 1, 2003 Number	Sep 1, 2003 as % of 2002	Sep 1, 2003 as % of Aug	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002
	1,000 Head			Percent		1,000 Head		Percent	1,000 Head		Percent	1,000 Head		Percent
AZ	**285**	**271**	**274**	**96**	**101**	**30**	**28**	**93**	**29**	**23**	**79**	**1**	**2**	**200**
CA	490	485	485	99	100	60	60	100	52	57	110	3	3	100
CO	1,000	860	900	90	105	245	240	98	230	195	85	5	5	100
ID	275	240	245	89	102	58	58	100	67	52	78	1	1	100
IA	310	*295	300	97	102	56	79	141	65	73	112	1	1	100
KS	2,230	2,180	2,250	101	103	570	580	102	470	500	106	10	10	100
NE	1,850	1,570	1,660	90	106	445	470	106	380	370	97	5	10	200
NM	114	116	121	106	104	22	23	105	15	15	100	2	3	150
OK	305	335	345	113	103	74	84	114	78	72	92	1	2	200
SD	145	148	134	92	91	24	30	125	38	43	113	1	1	100
TX	2,680	2,690	2,700	101	100	530	610	115	580	580	100	10	20	200
WA	155	170	180	116	106	40	46	115	49	35	71	1	1	100
Other Sts	290	230	235	81	102	64	66	103	82	60	73	2	1	50
US	10,129	*9,590	9,829	97	102	2,218	2,374	107	2,135	2,075	97	43	60	140

* *Revised*

1/ *Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.*

2/ *Includes death losses, movement from feedlots to pasture, and shipments to other feedlots for further feeding.*

MILK COWS AND PRODUCTION: BY STATE, AUGUST 2002-2003

STATE	Milk Cows 1/		Milk Per Cow 2/		Milk Production 2/		
	2002	2003	2002	2003	2002	2003	Percent Change From 2002
	1,000 Head		Pounds		Million Pounds		Percent
AZ	**150**	**150**	**1,785**	**1,665**	**268**	**250**	**-6.7**
CA	1,651	1,696	1,810	1,740	2,988	2,951	-1.2
FL	149	140	1,195	1,160	178	162	-9.0
ID	395	410	1,830	1,870	723	767	6.1
IL	115	108	1,395	1,450	160	157	-1.9
IN	148	143	1,410	1,470	209	210	0.5
IA	210	200	1,480	1,530	311	306	-1.6
KY	122	113	1,025	1,000	125	113	-9.6
MI	301	298	1,680	1,705	506	508	0.4
MN	485	475	1,410	1,445	684	686	0.3
MO	136	128	1,090	1,125	148	144	-2.7
NM	305	317	1,765	1,750	538	555	3.2
NY	676	678	1,505	1,480	1,017	1,003	-1.4
OH	263	260	1,390	1,420	366	369	0.8
PA	585	571	1,515	1,480	886	845	-4.6
TX	308	312	1,290	1,340	397	418	5.3
VT	154	148	1,450	1,450	223	215	-3.6
VA	119	114	1,250	1,175	149	134	-10.1
WA	248	244	1,965	1,960	487	478	-1.8
WI	1,265	1,254	1,470	1,480	1,860	1,856	-0.2
20-State Total	7,785	7,759	1,570	1,563	12,223	12,127	-0.8

1/ Includes dry cows; excludes heifers not yet fresh.
2/ Excludes milk sucked by calves.

COMMERCIAL RED MEAT PRODUCTION: ARIZONA AND U.S., AUGUST 2002 AND 2003 AND JULY 2003 1/

CLASS	August 2002	July 2003	August 2003	August 2003 as % of 2/	
				August 2002	July 2003
	1,000 Lbs			Percent	
<u>ARIZONA</u> 3/					
Total Red Meat	**39,200**	**37,000**	**36,300**	**93**	**98**
	Million Lbs			Percent	
<u>UNITED STATES</u>					
Beef	2,469	2,438	2,328	94	95
Veal	17	15	14	85	96
Pork	1,637	1,577	1,555	95	99
Lamb and Mutton	17	16	16	94	100
Total Red Meat	4,140	4,046	3,913	95	97

1/ Based on packers' dressed weights and excludes farm slaughter.
2/ Accumulated totals and percentages based on unrounded data.
3/ Breakdown by class not available, includes total beef, veal, pork, lamb, and mutton.

COMMERCIAL LIVESTOCK SLAUGHTER: ARIZONA, AUGUST 2003 AND U.S., JANUARY-AUGUST 2003 1/

SPECIES	**ARIZONA**			UNITED STATES		
	August			January-August		
	Number Slaughtered	Total Live Weight	Average Live Weight 2/	Number Slaughtered	Total Dressed Weight	Average Live Weight 2/
	1,000 Head	1,000 Lbs	Lbs	1,000 Head	1,000 Lbs	Lbs
Cattle	**47.2**	**62,233**	**1,318**	24,234.2	17,960	1,230
Calves 3/				656.1	126.0	319
Hogs	**0.1**	**36**	**258**	64,655.2	12,756	266
Sheep	**0.1**	**5**	**75**	1,954.1	130.2	133

1/ Includes slaughter under federal inspection and other commercial slaughter, excludes farm slaughter.
2/ Average live weights based on unrounded data.
3/ Not published to avoid disclosing individual operations but included in U.S. total.

CATTLE OUTLOOK

The ban on imports of Canadian beef and cattle by the United States since May 20 has created a shortage of market ready cattle. The continued strong domestic and international beef demand and tight beef supplies have resulted in U, S. cattle prices moving to record levels. Slaughter levels have remained relatively high to maintain beef production levels, but has sharply reduced slaughter weights and lowered the proportion of cattle grading Choice or Prime. Renewed imports of Canadian beef from cattle under 30 months of age will help ease the record setting price situation.

Recent Rains Raise Hope of Replenishing Forage Supplies

Recent rains throughout most of the country raised hopes for improved grazing conditions and at least some small grain grazing. Substantial rains in late August should help the Central and Southern Plains in preparation for winter wheat planting. Late summer growth should also help late hay harvests. Additional rains and mild fall temperatures for additional pasture growth will be essential for over-wintering even the reduced cattle inventory. Producers in many areas have already been forced to supplement their herds on drought-reduced grazing with hay made earlier in the year.

Retail Choice Beef Prices Continue Record-Setting Pace

Market supplies of higher quality beef are extremely tight. In August 2002 about 60 percent of the steer and heifer slaughter graded Prime and Choice, this year the proportion dropped to 50.6 percent. Retail beef prices have been on a record/near record-setting pace since February as poor weather conditions slowed weight gains and tightened beef supplies. The price surge continued in August with the Choice retail beef price averaging a record $3.74, a pound up from $3.66 in June and $3.65 in July. In the second week of September, with further supply tightening in higher quality beef, prices for Choice boxed beef rose sharply, averaging a record $156.11 per cwt.

Canadian Beef Likely To Be Absorbed Fairly Readily

The first loads of Canadian boneless beef from cattle under 30 months of age and veal began to enter the United States in early September. Although the industry is concerned with the reentry of Canadian beef, end users will likely absorb the additional beef fairly easily. Certainly prices will decline from the feverish pace of the past several weeks, particularly for the higher quality beef, but the supply situation will remain very tight once the supplies begin to balance out. Initially larger quantities of higher quality beef are likely to enter from Canada because of their slaughter slowdown since May 20. This will allow fed cattle marketings in the U.S. to slow resulting in more days on feed for cattle in U.S. feedlots, a slowdown in slaughter and additional Prime-Choice beef to meet the growing demand for this product.

Cattle Prices Continue Record Pace

Fed cattle prices averaged in the low 80's in August, and in the upper $80's in early September. Even as Canadian beef reenters the United States, prices are expected to remain near $80 to the low $80's over the next year as cattle inventories tighten. Prices may go even higher depending on female retention and continued demand strength.

Similarly, feeder cattle prices have risen rapidly as feedlot operators attempted to maintain feedlot inventories following the rapid marketing pace of recent months. Yearling feeder cattle prices in Oklahoma City were averaging near $100 per cwt in mid September. Prospects for improved fall grazing conditions, particularly small grain grazing, are also increasing the demand for a tightening supply of feeder cattle. Although prices are expected to decline as beef supplies smooth out, prices are likely to remain in the upper $80's to the low $90's over the next couple of years.

PUBLISHED MONTHLY

Subscription to "Arizona Livestock" is free to reporters upon request and available for $10 per year to non-reporters. Send request for order forms or address changes to Arizona Agricultural Statistics Service, 3003 N Central Ave., Suite 950, Phoenix, Arizona 85012-2994. Releases are also available through our web site @ ***www.usda.gov/nass/az***

Steven Manheimer, State Statistician
Eddie Oaks, Deputy State Statistician
Maria Bautista, Agricultural Statistician
Clare Jervis, Agricultural Statistician
Dennis Koong, Agricultural Statistician
Tenopra Shepphard, Agricultural Statistician

RELEASE DATES FOR UPCOMING NATIONAL REPORTS

October 17	Milk Production
October 17	Cattle on Feed
October 24	Livestock Slaughter
October 31	Hogs and Pigs
October 31	Agricultural Prices

UNITED STATES DEPARTMENT OF AGRICULTURE
Arizona Agricultural Statistics Service
3003 N Central Ave, Suite 950
Phoenix, Arizona 85012-2994

SEPTEMBER FARM PRICES RECEIVED INDEX UNCHANGED FROM LAST MONTH

The preliminary All Farm Products Index of Prices Received by Farmers in September is 109, based on 1990-92=100, unchanged from the August index. Since last month, a higher Livestock and Products Index more than offset a lower All Crops Index. Higher commodity prices for cattle, lettuce, dairy, and broccoli more than offset lower prices for tomatoes, eggs, potatoes, and grapes. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of soybeans, peanuts, corn, and apples more than offset decreased marketings of cattle, broilers, wheat, and grapes. This preliminary All Farm Products Index is up 11 points (11.2 percent) from September 2002. Higher prices for cattle, hogs, broilers, and lettuce more than offset lower prices for corn, wheat, potatoes, and hay. The Food Commodities Index also increased 1 point (0.9 percent) above last month to 111, and is16 points (16.8 percent) above September last year.

PRICES PAID INDEX UP 1 POINT

The September Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) is 128 percent of the 1990-92 average. The index is up 1 point from August and 3 points (2.4 percent) above September 2002. Higher prices in September for feeder cattle, gasoline, nitrogen fertilizers, and feeder pigs more than offset lower prices for complete feeds, feed concentrates, feed grains, and feed supplements.

PRICES RECEIVED BY FARMERS: ARIZONA AND U.S., SEPTEMBER 2002 AND 2003 AND AUGUST 2003

COMMODITY	UNIT	ARIZONA			UNITED STATES		
		September 2002 Entire Month	August 2003 Entire Month	September 2003 Mid-Month	September 2002 Entire Month	August 2003 Entire Month	September 2003 Mid-Month
Upland Cotton 1/	¢ Lb	**2/**	**2/**	**5/**	35.2	46.3	48.5
All Wheat 3/	$ Cwt	**—**	**---**	**---**	4.21	3.34	3.29
Durum Wheat 3/	$ Cwt	**---**	**---**	**---**	4.20	3.78	3.54
Winter Wheat 3/	$ Cwt	**---**	**---**	**---**	4.14	3.28	3.25
All Hay Baled 4/	$ Ton	**95.00**	**87.00**	**84.00**	95.50	85.30	84.20
Alfalfa Hay Baled 4/	$ Ton	**95.00**	**88.00**	**85.00**	102.00	91.00	89.00
Other Hay Baled 4/	$ Ton	**90.00**	**82.00**	**80.00**	74.80	69.10	70.10
Lemons 6/	$ Box	**37.20**	**---**	**29.90**	40.80	---	29.40
Cows 7/	$ Cwt	**33.30**	**43.80**	**44.70**	34.90	44.60	46.00
Steers and Heifers	$ Cwt	**72.80**	**84.80**	**91.80**	68.00	83.50	88.20
Beef Cattle 8/	$ Cwt	**72.40**	**84.40**	**91.30**	64.80	79.90	84.00
Calves	$ Cwt	**102.00**	**98.80**	**102.00**	92.00	107.00	106.00
All Milk 9/	$ Cwt	**11.30**	**13.00**	**14.00**	11.60	13.20	14.00

1/ Includes both spot and contract sales.
2/ Price not published to avoid disclosure of individual operations.
3/ Not available for Arizona.
4/ Mid-month.
5/ Insufficient sales to determine a price.
6/ F.O.B. packed fresh Arizona box weights: Lemons 76 lbs.
7/ Beef cows and cull dairy cows sold for slaughter.
8/ "Cows" and "steers and heifers" combined.
9/ Preliminary; before deductions for hauling. Includes quality, quantity and other premiums. Excludes hauling subsidies.

U.S. PRICE INDEX SUMMARY TABLE

INDEX 1990-92 = 100	2002		2003	
	August	September	August	September
Prices Received	100	98	109	109
Prices Paid	124	125	127	128
Ratio 1/	81	78	86	85

1/ Ratio of index of prices received by farmers to index of prices paid.